



September 27, 2023

Planning Commissioners
Attn: Angela Gemmer/Haylie Miller
City of Marysville
501 Delta Avenue
Marysville, WA 98270

51st AVE REDESIGNATION & REZONE (KM CAPITAL)

Dear Commissioners:

On behalf of the Applicant for the 51st Avenue Rezone (KM Capital) we are writing to request you **RECOMMEND APPROVAL** of the rezone by Council.

Staff has inferred in prior Planning Commission workshops that they may not support the proposed rezone based on the following points:

- The likelihood that the city can accommodate its 2044 population allocation without many changes to existing zoning and thus the city should make very few changes because it doesn't need to change.

Applicant Response: Population allocations are a “target” and often referred to as a minimum since the city’s zoning needs to provide sufficient capacity to achieve the target. Additionally, the current population allocation provided to the city is the “preliminary” allocation made at the beginning of the planning process for the county and all its cities, meaning that the final allocation isn’t established until after all the cities and the county complete their 2044 Comprehensive Plan updates and then ‘reconcile’ their population targets to reflect the plans adopted.

Marysville (and Arlington) is designated as high capacity transit communities in the most recent multi-county planning policies (Vision 2050) and the Regional Growth Strategy (RGS). According to Vision 2050, high capacity transit communities:

“[P]lay an increasingly important role as hubs to accommodate regional employment and population growth. Targeting growth within these transit-rich communities helps to support mobility and reduces the number and length of vehicle trips.”

Specifically, the RGS calls for high capacity transit communities to take in 25% of the region’s population growth and 13% of the employment growth by 2050. Thus, it would be wise for the City of Marysville to look at ways in which it can accommodate its population along established transit corridors and adjacent to jobs centers like the CIC. The Applicant’s proposal is consistent with the RGS, countywide planning policies, and the city’s comprehensive plan as pointed out in the analysis within our May 9, 2023, letter (**Exhibit 1**).

- Hesitancy over whether there are sufficient changed circumstances to support the rezone.

Applicant Response: Washington and the Puget sound have a chronic shortfall of housing with various reports (Washington Competitiveness Report, Seattle Times, etc.) indicate that this shortfall is between 80,000 and 100,000 units statewide. Despite that, the regional growth strategy, current 2024 comprehensive planning process, housing needs reports, etc. underway are based on preliminary population allocations that don’t appear account for the future population growth and the overall housing shortfall. Specific to this rezone, a key change in circumstances is the success of the industrial park and a growing concern among future industrial tenants that there is not enough workforce and workforce housing near the CIC.

NorthPoint embarked on the development of their 426-acre industrial park (339 acres of which are in the city) in 2020, there have been millions of square feet of new industrial space built in the CIC. Many of these new spaces have been filled with tenants and many new jobs created. The downfall of this success is a growing concern among prospective tenants that there is a lack of sufficient workforce to support the CIC and more specifically that there is a lack of workforce

housing near the CIC to attract future workforce to the area. See the attached letter from NorthPoint (**Exhibit 2**). Without additional workforce housing in the vicinity of the CIC, Marysville runs the risk of slowing down the momentum that has been established. Additional workforce housing/rental housing opportunities are needed to successfully develop the CIC. This rezone would be consistent with AMMIC-ED-4 in the 2018 Arlington Marysville Manufacturing MIC Subarea Plan, which called on the city “to ensure that city zoning and plans allow a variety of housing opportunities and types to promote a broad range of housing choices to the local workforce.” Currently within the eight (8) Census Tracts surrounding the CIC, only 22% of the housing is renter occupied according to data from the Census and the Federal Financial Institutions Examination Council (FFIEC), (**Exhibit 3**).

Moreover, we believe strongly that a change in circumstances warranting this rezone is the city’s need to align its future population density with its transit corridors so that housing is conveniently connected to employment in the CIC. As mentioned in the Transportation section (Section 4.2) of the 2018 Arlington Marysville Manufacturing MIC Subarea Plan, the primary mode of transportation to the CIC is single occupant vehicles and improving multimodal access (including linkages between transit and housing) will allow for growth in jobs while reducing the need to increase road capacities. Several exhibits are attached that highlight this rezones proximity to current transit service and the walkability housing in this location would have to future jobs in planned industrial buildings (**Exhibits 4 - 6**).

Finally, we believe that a changed circumstance is the shear magnitude of the increase in housing costs (rental and ownership) within Marysville. When the 2018 Arlington Marysville Manufacturing MIC Subarea Plan was approved one of the primary “Assets” of the CIC identified was its “Location Near Affordable Workforce Housing” allowing 45% of the employees in the area at that time to live within 10 miles of the CIC. Dynamics in the housing market have shifted dramatically since 2018, including higher home prices, higher interest rates, higher rents, and limited housing supply. The proposed rezone would help the city respond to these changes and ensure the future success of the CIC.

- A fear that the proposed rezone might limit the number of jobs the CIC could create.

Applicant Response: Only ±30 acres of the proposed rezone were part of the original CIC boundaries, and those 30 acres represent less than 2% of the total Marysville portion of the CIC and less than 1% of the entire CIC. Moreover, the actual developability of the site is limited by Edgecomb Creek and its buffers, the stormwater infrastructure required, frontage dedication (and improvements) along 51st Avenue and 152nd Street, and a gas pipeline easement. The net result is useable industrial land that is ±27 out of the ±40 acres.

Thus, we contend that the rezone would have minimal impacts on the number of jobs the city can expect in the CIC. However, the location of multifamily (workforce housing) proximate to the CIC may be a critical factor in attracting employers that have greater employment densities.

Lastly, an Urban Growth Area (UGA) expansion to create additional light industrial land has been proposed for an area to the NE of this site. If approved, this expansion would add ±183 acres of industrial land to Marysville and (per Snohomish County), generate ±430 jobs.

In conclusion, we’d also like to point out that the proposed rezone site is bordered by multifamily residential zoning on the west, south, and southeast (across the railroad tracks). Thus, this proposed rezone would provide a more appropriate transition between the industrial uses in the CIC and the adjacent residential uses.

We respectfully request Planning Commission **RECOMMEND APPROVAL** of the rezone by Council.

Thank you,



David Toyer
President

Exhibit 1



May 9, 2023

Angela Gemmer
Community Development
City of Marysville
501 Delta Avenue
Marysville, WA 98270

51st AVE REDESIGNATION & REZONE (KM CAPITAL) – ADDITIONAL CONSIDERATIONS

Dear Angela,

After the Planning Commission meeting on April 25, 2023, you requested we provide more information in support of the proposed rezone. Note that the Arlington-Marysville Manufacturing Industrial Center (“AMMIC”) is also known and referred to as the Manufacturing Industrial Center (“MIC”) and Cascade Industrial Center (“CIC”), which terms have been used in various reports, studies, and marketing materials to refer to the same area. To maintain accuracy with the source in which the information herein was obtained, all of the terms used in this letter are as they were used in the source document.

Additional Considerations for the Rezone:

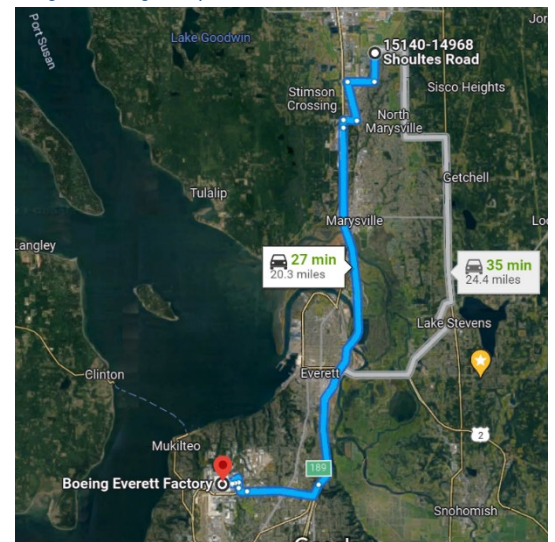
The following are additional considerations that the Applicant respectfully requests be considered in review of its requested rezone:

1. Creates a Better Boundary for Truck Traffic. The rezone will help limit the amount of truck traffic that travels south on 51st Avenue past Shoultes Elementary School. If the ±40.8 acres were to develop as industrial, there would be at least one vehicle access point required on 51st Avenue, supporting the ingress and egress of trucks to/from 51st Avenue. The current industrial development anticipated on the rezone site would generate 95 total daily truck trips, whereas apartments would generate zero.

Image 1 shows Google Maps directions from the rezone site to Boeing, indicating in both the AM & PM peak hours that GPS directions are very likely to direct trucks south on 51st Avenue, past Shoultes Elementary School, to access Interstate-5 at 116th.

2. Has Limited Impact to Total Industrial Acreage. The proposed rezone is ±40.8 acres; however, the actual net impact to land included Marysville’s portion of the AMMIC is only ±30.62 acres because ±10.18 acres was rezoned from R-4.5 Single Family Medium Density zoning on March 2, 2022 (Ordinance 3211). Based on the original report and recommendation by the PSRC in 2019, the total area for the AMMIC is 4,019 acres of which Marysville has 1,728 acres. The subject rezone of ±30.62 acres would impact less than 2% of the total area within Marysville and less than 1% of the overall acreage of the AMMIC.
3. Does Not Impact Rail Accessibility for Industrial Area. The rezone does not impact future rail availability to the remaining industrial areas. For rail to be available within the CIC, a spur would need to come off the existing line south of 152nd to limit impacts and conflicts with Edgcomb Creek and its new habitat mitigation corridor. However, both the Washington Utilities and Trade Commission (UTC) and City of Marysville would not permit an additional at-grade rail crossing on 152nd Street for safety concerns and because it is slated to be a 5-lane road.
4. Edgcomb Creek Restoration Not Affected. The rezone will not impact the completion of restoration of Edgcomb Creek and future development would be required to be consistent with the established mitigation corridor and buffers established by the NorthPoint development agreement.
5. Supports Alternatives to Single Occupant Vehicles. The rezone will locate workforce housing along an established transit corridor and will have future connectivity to the employment center via sidewalks along 51st Avenue, 152nd Avenue, the

Image 1 - Google Maps Directions



future 59th Avenue, and a north-south multi-use trail adjacent to the relocated Edgecomb Creek and its habitat mitigation corridor.

Applicant's Rezone Consistent with Marysville Comprehensive Plan

The following analyzes the rezone's consistency with the Marysville Comprehensive Plan:

LU-20 Housing densities should be determined by community values, development type and compatibility, proximity to public/private facilities and services, immediate surrounding densities, and natural system protection and capability.

Applicant: The proposed rezone would establish multifamily, workforce housing opportunities along a transit corridor and adjacent to a developing employment center.

LU-24 Distribute higher densities in appropriate locations. Locate in residential areas where they will not detract from the existing neighborhood character. Locate near employment and retail centers, and to transportation corridors as appropriate.

Applicant: The proposed rezone would establish multifamily, workforce housing opportunities along a transit corridor and adjacent to a developing employment center.

LU-30 New or expanded single and multi-family development should be within walking distance, preferably, but not necessarily, via paved sidewalk or improved trail of a neighborhood park, public recreation area, or in some cases a school. Existing single and multi-family areas should, as possible, also be provided with a neighborhood park, public recreation area, or in some cases a school, within walking distance, via paved sidewalk or improved trail.

Applicant: The proposed rezone would establish multifamily, workforce housing adjacent to an employment center and within walking distance of sidewalks, a future multi-use trail corridor, and existing recreation (on-site open space required, as well as nearby parks).

LU-34 Locate and design new single and multi-family residential developments, and improve existing ones, to facilitate access and circulation by transit, car/van pools, pedestrians, bicyclists, and other alternative transportation modes.

Applicant: The rezone site is currently served by Community Transit route 202. The closest existing stop is located at 51st and 146th ST NE (stops 699 and 1173). Route 202 runs between the Smokey Point Transit Center on Smokey Point Boulevard near State Route 531 and the Lynnwood Transit Center with seven buses arriving at Stop 1173 between 5am and 9am weekdays and five buses heading north that arrive at Stop 699 between 5pm and 8pm on weekdays. The proposed rezone would allow for multifamily development near an employment center and where access and circulation between the residences and employment opportunities can be facilitated by future transit, car/van pool, and pedestrian/bicycle improvements that are part of existing and future development plans.

LU-46 Locate multi-family development adjacent to arterial streets, along public transportation routes, and on the periphery of commercially-designated areas, or in locations that are sufficiently compatible or buffered from single family areas to not disrupt them.

Applicant: The proposed multifamily rezone is located on arterial streets; along public transportation routes; is on the periphery of the employment center; and will be buffered from single family areas by critical areas and buffers, as well as a railroad track.

HO-8 Provide for a wide range of housing choices in residential and commercial zones, including, but not limited to cottages, townhouses, planned unit developments and apartments.

Applicant: The rezone will provide for needed workforce housing via apartments.

HO-18 Provide affordable housing opportunities close to places of employment.

Applicant: The rezone will provide for affordable workforce housing (apartments) close to future employment within the employment center.

HO-19 Consider the location of traffic routes, transit, bike and pedestrian trails, in locating new housing.

Applicant: The rezone will locate apartments at the intersection of two arterials (51st Avenue and 152nd Street), will be connected to the employment center via sidewalks and a multi-use trail, and will be served by existing transit

routes.

HO-33 Work with Community Transit to develop transit connecting dispersed housing and employment centers.

Applicant: The rezone site is currently served by Community Transit route 202. The closest existing stop is located at 51st and 146th ST NE (stops 699 and 1173). The employment center is planned to have additional transit added as it develops.

HO-36 Promote a housing policy and land use pattern that balances the ratio of housing units to jobs.

Applicant: The rezone creates needed housing options (workforce apartments) adjacent to an employment center. This will reduce commutes and allow for connectivity between denser residential development and employment opportunities.

HO-37 Maximize the public investment in public infrastructure by supporting a compact land use strategy to increase residential density.

Applicant: The rezone locates residential density where public infrastructure is already being expanded by public and private investments. Further, it leverages these investments by locating dense workforce housing adjacent to an employment center.

Proposed Rezone is Consistent with AMMIC Subarea Plan & Marysville's Comprehensive Plan

The following outlines how this proposed rezone to R-18 Multi-family Medium Density is consistent with the MIC Subarea Plan

- Assets, Page 6: "Location Near Affordable Workforce Housing"

Applicant: Of the six key assets identified in the AMMIC subarea plan, proximity to affordable workforce housing was identified by existing MIC businesses as both a key asset *and need*. In other words, local businesses and stakeholders participating in the planning of the MIC acknowledged that as the MIC grows in attracting jobs, the creation of additional affordable workforce housing would be needed. The rezone to R-18 supports the creation of affordable workforce housing.

- AMMIC Policies ED-4 and ED-4.1 directly address the key role of the housing needed to support the AMMIC:

AMMIC-ED-4: Marysville sustains a high quality of life that supports the economic competitiveness of the AMMIC.

AMMIC-ED-4.1: Ensure that City zoning and plans allow a variety of housing opportunities and types to provide a broad range of housing choices to the local workforce.

Applicant: The proposed rezone would create additional multifamily housing immediately adjacent to future industrial development, creating opportunities for people to walk or balk to work, as well as access transit. This rezone ensures that the area adjacent to the AMMIC provides a variety of housing opportunities that meet the needs of the growing local workforce.

- The following policies from the AMMIC Subarea Plan and the Comprehensive Plan ("CP") address the amount of land in the AMMIC for industrial purposes, as well as incompatible uses:

AMMIC-LU-1.5: Protect industrial lands from encroachment from incompatible uses and development on adjacent land.

LU-177 (CP) Ensure at least a minimum of 80% of the property within the MIC is planned and zoned for industrial and manufacturing uses. Compatible non-industrial uses shall be conditioned to mitigate for potential conflicts with current and future land uses.

LU-178 (CP) Protect industrial lands from encroachment from incompatible uses and development on adjacent land.

Applicant: Applicant's proposed rezone impacts less than 2% of the total land within Marysville's portion of the AMMIC. This allows the city to continue to comply with its Comprehensive Plan Policy (LU-177) which seeks to ensure a minimum of 80% of the property within the MIC is planned and zoned for industrial and manufacturing uses.

The subject parcels proposed for the rezone are already located adjacent to residential uses, including R-18 to the west, R-4.5 to the south, and R-4.5 to the east (partial). The proposed rezone would create a more logical boundary of the AMMIC area at 152nd (a future 5-lane roadway) which reduces the amount of industrial and manufacturing lands bordering single family residential areas.

No Affect on PSRC's Designation of the Cascade Industrial Center (CIC)

The PSRC's Administrative Procedures for Regional Centers (including Manufacturing/Industrial Centers), the PSRC recognizes that boundaries may need to change over time and the proposed rezone would qualify as a minor amendment, which description and criteria is as follows:

B. Center Boundary Changes. Center boundaries should follow parcel boundaries and splitting parcels should be avoided. Boundaries should not appear gerrymandered or irregular, and centers should be contiguous areas. Inclusion of non-contiguous parcels is discouraged. Center boundaries may be refined as subarea planning occurs, but boundary changes can have implications for the overall configuration and make-up of the center.

1. *Minor boundary changes include one or more of the following that increases or decreases the center boundary by less than 10%:*
 - a. *Adjustments that better follow geographic features or topography. These may include fixing mapping errors from previous plans.*
 - b. *Adjustments that result from changes to rights-of-way or property line adjustments.*
 - c. *Adjustments based on updated subarea planning and development opportunities. Minor boundary changes are processed administratively by providing PSRC staff with an updated GIS shapefile and explanation of changes.*

Applicant: Applicant's proposed rezone impacts less than 1% of the total area designated within the AMMIC. Further, the rezone would create a boundary change that follows better geographic features by using 152nd as the new southern boundary between 51st Avenue and the railroad track.

As noted in B.1.c above, this adjustment would be processed administratively by PSRC because it does not substantively impact the area's designation.

Further, According to PSRC's official May 30, 2019 Regional Manufacturing/Industrial Center Designation Report, the Cascade Industrial Center as a Manufacturing Industrial Center significantly exceeded the minimum designation requirements:

- A minimum of 2,000 acres – the AMMIC has 4,019 acres
- A minimum of 4,000 existing jobs – the AMMIC had 7,773 jobs as of 2017
- A minimum of 10,000 jobs planned – the AMMIC planned for 20,000 jobs by 2040 with total capacity for 24,800-32,700 total jobs
- At least 50% of the employment must be from industrial jobs – as of 2016, 80% of jobs in the AMMIC were industrial jobs
- At least 75% of the area must be zoned for core industrial uses – over 81% of the AMMIC area was zoned for core industrial uses

Applicant: Again, as noted previously, the proposed rezone does not negatively impact the CIC's regional designation or put at risk any investments previously made in the employment center. In fact, adding this multifamily density adjacent to the employment center will help support growth in the employment center, reduce/limit commutes, and maximize investments in public infrastructure such as sidewalks, transit, etc.

We trust this additional information is helpful as the city analyzes the proposal.

Thank you,



David Toyer
President

Exhibit 2



September 27, 2023

Planning Commission

City of Marysville

501 Delta Avenue

Marysville, WA 98270

51ST AVENUE REZONE

Dear Commissioners,

As you know, NorthPoint Development acquired 426 acres of industrial land in the Cascade Industrial Center (CIC), including ±339 acres and the first building in what will ultimately be ±4 million square feet of industrial space.

When we started this project in 2020, there was very little new industrial activity in the CIC and no concern about the availability of workforce housing, however, in the years that have followed, millions of square feet of industrial space have been constructed and occupied by companies and thousands of new employees.

The result of this success is that during our marketing of Building 1 (now leased) and marketing for future buildings to be constructed, prospective tenants are expressing a growing concern that the area does not have enough workforce nor enough nearby workforce housing (market rate multi-family units) to continue to support the growth contemplated for the CIC.

NorthPoint Development has an apparent vested interest in seeing the CIC succeed. Based on the changed conditions since starting this project, we have reviewed our conceptual development plan and identified ±40 acres southeast of the intersection of 152nd Street NE and 51st Avenue as likely being better suited for non-industrial zoning and development due to its location adjacent to R-18 zoning (west) and single-family zoning (south and southeast). Having workforce housing in this location would be a benefit to the buildout of the CIC as that housing would be within ½ mile walking distance of ±2 million square feet of future industrial space on our property alone.

We've entered into an agreement with KM Capital, a strategic partner and the rezoning applicant, who intends to develop ±768 units of workforce housing should the proposed redesignation and rezone be approved.

As the current landowner of the ±40 acres in question and the largest industrial developer within the CIC, we believe that KM Capital's proposed rezone is necessary to address changes in workforce needs and ensure the long-term success of the CIC.

3315 N Oak Trafficway
Kansas City, MO 64116

www.BeyondTheContract.com



Regards,

A handwritten signature in black ink, appearing to read "Chad Meyer", is written over a light gray horizontal line.

Chad Meyer

President

NorthPoint Development

3315 N Oak Trafficway
Kansas City, MO 64116

www.BeyondTheContract.com

Exhibit 3

Federal Financial Institutions Examination Council (FFIEC)

Census Tract	Total Housing	Owner	%	Renter	%
535.07	2,092	1,856	89%	200	10%
531.02	2,150	1,688	79%	369	17%
535.09	1,892	1,009	53%	779	41%
531.01	1,960	1,070	55%	716	37%
528.08	1,303	1,086	83%	130	10%
528.07	1,615	1,174	73%	439	27%
527.01	640	528	83%	78	12%
528.03	2,324	1,824	78%	417	18%
	13,976	10,235	73%	3,128	22%

**5% of all units regardless of type are vacant*

Exhibits 4 - 6

Other Core Routes

Other core routes in Community Transit's system generally provide direct and frequent service between major destinations (Figure 0-2). In addition to Swift, core routes include the 101, 105, 115, 116, 196, 201 and 202. These are the trunk lines of Community Transit's local service network, providing the fastest way to get between major destinations on the bus. Over time, some of these corridors will transition to Swift service.

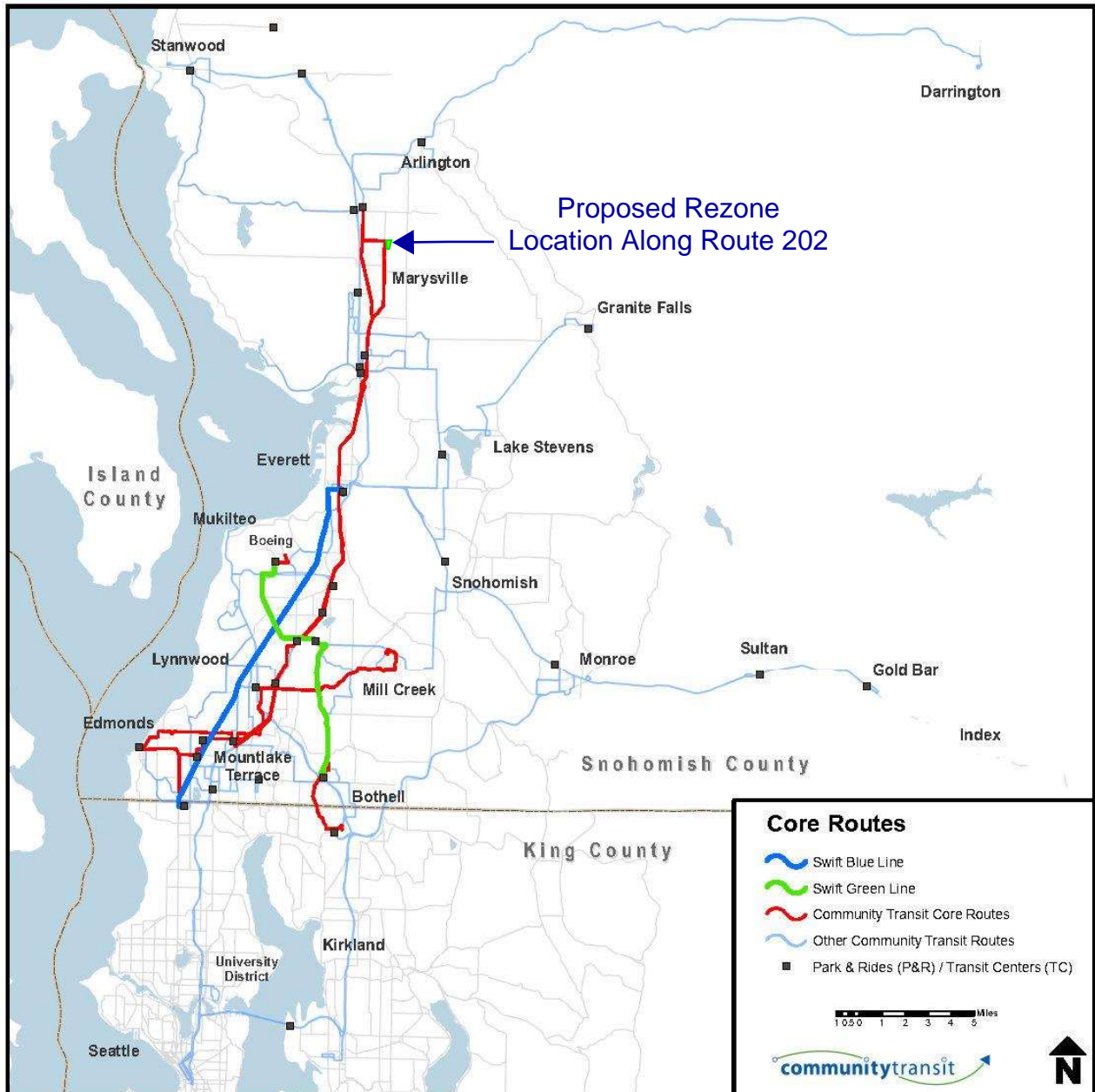
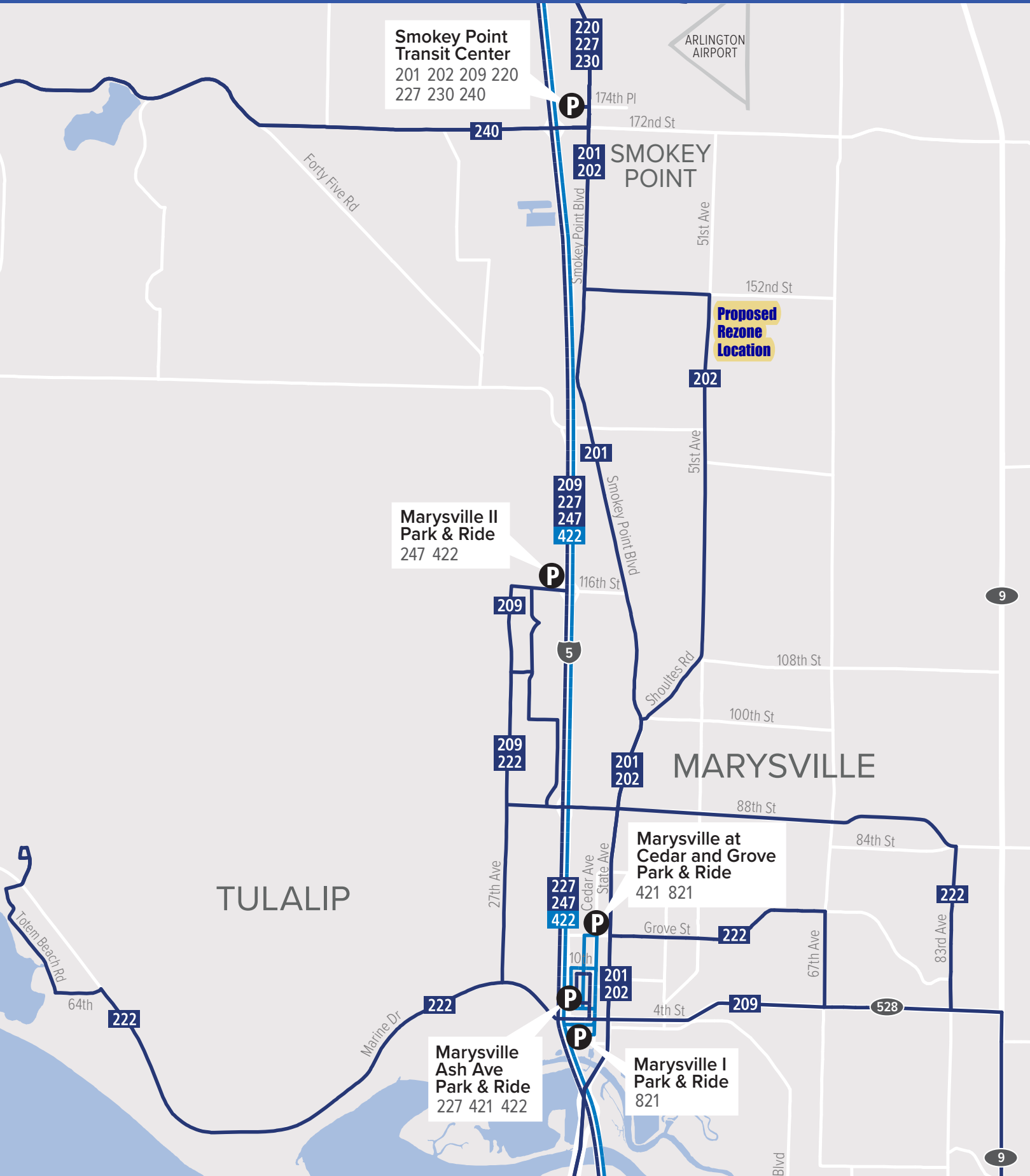


FIGURE 0-2

Community Transit System Map

Marysville/Tulalip detail

March 2022





CASCADE INDUSTRIAL CENTER (MARYSVILLE, WA)

CONCEPT SITE PLAN D4

2021.07.12
SCALE 1/100

STATE ROUTE 531

172nd ST NE

59th AVE NE

ARLINGTON
MARYSVILLE

ARLINGTON
MARYSVILLE

Recently Completed Building #1
243,698 sf



BUILDING 2
4296,000 S.F.
280' x 11135'

BUILDING 5
4218,000 S.F.
260' x 833'

BUILDING 4
4137,000 S.F.
280' x 521'

BUILDING 3
4952,000 S.F.
570' x 1664'

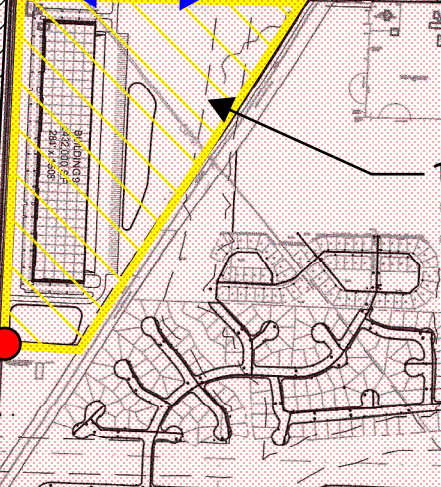
BUILDING 8
4626,000 S.F.
570' x 1093'

Existing Transit Stops



School District Property

Proposed Rezone Site



LEVIN ROAD / 152nd ST NE

Approx. 1/2
Mile walk
Radius

